

Minutes of Port Commission Regular Meeting  
December 14, 2023  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held December 14, 2023, beginning at 1:03 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://www.portfreeport.com)**

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

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Commissioners present in person:

Mr. Ravi Singhania, Chairman  
Mr. Rob Giesecke, Vice Chairman  
Ms. Barbara Fratila, Secretary  
Mr. Kim Kincannon, Asst. Secretary  
Mr. Rudy Santos, Commissioner  
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Grady Randle, Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Al Durel, Director of Operations  
Mr. Jason Hull, Director of Engineering  
Mr. Chris Hogan, Director of Protective Services  
Mr. Jason Miura, Director of Business & Economic Development  
Mr. Mike Wilson, Director of Economic Development  
Mr. Brandon Robertson, Director of Information Technology  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Mr. Jesse Hibbetts, Operations Manager  
Ms. Christine Lewis, Safety Coordinator  
Ms. Holly Soria, Operations Coordinator  
Ms. Randi Northup, Facility Security Officer  
Ms. Tricia Vela, Public Affairs Assistant  
Ms. Vicki Smith, Accounting Manager

Ms. Tricia Gibson, Accounting Specialist  
Ms. Bailee Anderson, Accounting Analyst  
Ms. Emily Henderson, Sales & Marketing Specialist

Also, present:

Mr. Chris Moore, Texas Port Ministry  
Mr. Jonathan Frels, Bracewell LLP  
Mr. Drew Masterson, Masterson Advisors  
Ms. Emily Hanson, The Facts  
Ms. Sheila Marquez, ILA  
Ms. Louise McKnight, ILA  
Mr. Sammy Chambless  
Ms. Melanie Oldham

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Chris Moore, Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Singhania noted that all Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis provided safety tips regarding the holiday hustle.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted by Commissioners.

7. Public Comment – Ms. Melanie Oldham addressed the Port Commission regarding Dow Chemical tax abatement.
8. Public Testimony – There was no public testimony.
9. Approval of minutes for meetings held on the following dates:

November 2, 2023 Special Meeting  
November 6, 2023 Special Meeting  
November 16, 2023 Special Meeting

Commissioner Singhania asked for approval for each meeting separately.

A motion was made by Commissioner Fratila to approve the November 2, 2023 Special Meeting minutes as presented. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

A motion was made by Commissioner Kincannon to approve the November 6, 2023 Special Meeting minutes as presented. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

A motion was made by Commissioner Giesecke to approve the November 16, 2023 Special Meeting minutes as presented. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

10. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

Ms. Saathoff reported on the East Coast trip with Mr. Miura to visit with existing customers and potential new business prospects. She reported that Mr. Lowe will be presenting the financials noting that October was a good start to the fiscal year with strong revenues having Freeport LNG back in operation. Ms. Saathoff reported the most recent CAP Meeting was held at the Angleton High School CTE Center where members and staff received a briefing from the Superintendent as well as a tour of the facility.

B. Director of Engineering

In addition to his written report, Mr. Hull reported the Corps has awarded the maintenance Satoc contract to Great Lakes Dredge & Dock. The maintenance dredging on the ship channel will last approximately three years. Mr. Hull also shared a current photo of Turning Basin Road pavement repair, which is part of the Port-Wide Pavement Repairs project. With regard to the channel progress, he noted the hopper dredge Ellis Island has left the Port to work elsewhere, and currently waiting on hopper dredge Galveston Island to arrive and continue work. Dredge 54 continues to work in Reach 2 removing debris.

C. Director of Operations

Mr. Durel reported on vessel statistics noting it was a strong month with 17 LNG, 1 Riviana vessel, 1 Vulcan vessel and 3 Tenaris vessels. Average vessel activity in 2023 was 34 per month, this month the Port handled 42 vessels. Mr. Durel also reported that all departments of port operations, maintenance, security, safety are gearing up in anticipation of the Port's two new customers.

D. Director of Business & Economic Development

Mr. Miura reported on a very positive sales trip visiting customers in Florida and North Carolina noting the team will have additional travel in January to visit customers in south Florida as well as Michigan in February. He also reported on a meeting held earlier in the week with Volkswagen, Union Pacific, Rail Link and Wallenius Wilhelmsen to discuss operations at the new facility. Lastly, Mr. Miura stated that staff is working with the website developer to enhance public information requests (PIR) on the Port's website and has committed to completing the task by the end of the month. Staff has drafted a new home page with a visible PIR button with a link to make a request. A form has been created for submission along with an email address to submit requests. Staff continues work to tie all these items together, so they submitted to appropriate staff for further

handling. Commissioner Giesecke inquired about the tracking mechanism previously discussed. Ms. Saathoff noted that a history document has been started and will be used going forward for reporting on a monthly basis. Commissioner Fratila commented that she appreciates the efforts made by staff on this topic since the initial ESG and workshop meetings.

E. Chief Financial Officer

Mr. Lowe gave presentations regarding the financial results for the months of September and October.

11. Approval of financial reports presented for the periods ending September 30, 2023 and October 31, 2023.

A motion was made by Commissioner Giesecke to approve the financials. The motion was seconded by Commissioner with all Commissioners present voting in favor of the motion.

12. Receive report from Commissioners on matters related to:

- A. December 6 Finance Committee Meeting – Commissioner Giesecke reported the committee discussed renewal of the electricity contract as well as the revenue bond issuance, both of which are on the agenda for consideration.
- B. December 6 OSS Committee Meeting – Commissioner Santos reported the committee discussed stevedore license renewals and the janitorial contract, both of which are on the agenda for consideration.
- C. December 6 Capital Planning Committee Meeting – Commissioner Kincannon reported the committee discussed the HVAC system at the EOC building and the options associated with replacing vs. repairing the existing system. The committee also discussed replacement of Dole transformers. Staff continues to evaluate the best way to handle and will report back once a determination has been made.
- D. December 13 Personnel Committee Meeting – Commissioner Singhania reported the committee discussed personnel matters that will be discussed under executive session later in the meeting.
- E. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Croft reported he was invited by the Hispanic Chamber to tour the Coca Cola Bottling facility in Houston. He also attended Commissioners Court meeting, Friends of River meeting, Dow Open House and Alliance Executive Committee meeting.

Commissioner Kincannon reported attending the CAP Meeting, Finance and Capital Planning Committee meetings, Precinct 4 Holiday Luncheon and the Highway 36A Coalition meeting.

Commissioner Giesecke reported attending the Freeport City Council meetings as the Port liaison, Precinct 4 Holiday Luncheon as well as the Dow Open House.

Commissioner Fratila reported attending the CAP Meeting, Brazosport Chamber Tour of Homes and Precinct 4 Holiday Luncheon. Additionally, she and Commissioner Croft also attended training regarding Surface Transportation Emergency Preparedness and Security for Senior Officials which was provided by Protective Services.

Commissioner Santos reported attending the CAP Meeting and the Texas Gulf Coast Regional Airport Christmas gathering.

Commissioner Singhanian reported attending the Friends of River Breakfast.

13. Approval of Tenth Supplemental Resolution Authorizing the Issuance of Port Freeport Senior Lien Revenue Bonds, Series 2024 (AMT); Prescribing the Terms and Provisions Thereof; Approving the Sale of the Bonds in Accordance with Specified Parameters and Authorizing the Execution of Related Agreements; Approving the Preparation and Distribution of an Official Statement; and Resolving Other Matters Related Thereto.

Mr. Lowe noted that Jonathan Frels with Bracewell (bond counsel) and Drew Masterson with Masterson Advisors (financial advisors) were present and available for questions. After meeting with the Finance Committee to discuss the Preliminary Official Statement and Bond Resolution, staff is prepared to recommend approving the Tenth Supplemental Resolution and Preliminary Official Statement and move forward with a competitive bond sale. Commissioner Giesecke noted the committee discussed going to a competitive bidding process which is different than prior bond sales and was recommended by staff and bond advisors based on current market conditions at this time. Mr. Lowe explained the process for the two types of sales, competitive vs negotiated, adding the advisors feel like the size of the bond at \$27 million will not only attract national players but regional underwriters as well. The advisors reached out to approximately 10 underwriters to gauge interest and received favorable feedback. Based on that feedback and the last competitive sale (the Port received in excess of 10 bids) along with the expertise of the financial advisors, staff is comfortable moving forward with a competitive bid. He added that one nuance associated with this is local retail would layer into the requirements, that local retail be contained within that bid, however once its bid, whoever wins that bid, its theirs. Local retail will have the opportunity to participate subject to being associated with the winning bidder. Commissioner Giesecke noted there is no additional cost associated to make this available to local retail.

A motion was made by Commissioner Giesecke to approve the tenth supplemental resolution authorizing the issuance of Port Freeport Senior Lien Revenue Bonds, Series 2024 (AMT); prescribing the terms and provisions thereof; approving the sale of the bonds in accordance with specified parameters and authorizing the execution of related agreements; approving the preparation and distribution of an official statement; and resolving other matters related thereto. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

14. Approval of Construction Contract with Zachry Construction Corporation for the Gate 12 Project, for an amount not to exceed \$2,929,297.00.

Mr. Hull began by showing a map of where Gate 12 will be located in the Expansion Area off Terminal Street. Staff opened proposals December 5 with six companies submitting proposals. It is staff's recommendation and that of the Capital Planning Committee to award

the contract to Zachry Construction, who submitted the lowest and best bid. Mr. Hull stated the gate will be connected/integrated to the Port's security system.

A motion was made by Commissioner Kincannon to approve the construction contract with Zachry Construction Corporation for the Gate 12 Project, for an amount not to exceed \$2,929,297.00. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

15. Approval of Stevedore License renewals submitted by the following:

APS Stevedoring  
Associated Terminals Pangaea  
Cooper/Ports America LLC  
Gulf Stevedoring Services, LLC  
Gulf Stream Marine, Inc.  
Ports America Texas, Inc.  
Red Hook ConRo Terminals LLC  
Richardson Stevedoring & Logistic Services, Inc.  
Riviana Foods  
Suderman Contracting Stevedores, Inc.

Ms. Soria stated that ten stevedores applied for renewal. Staff reviewed the applications and answered questions with the OSS Committee December 6. Staff and committee recommend approval of all licenses. Commissioner Santos commented the committee had good discussion with staff and confirmed staff did receive all necessary documentation and checks. APS will be the stevedore for Volkswagen. Staff did reach out to them regarding their TRIR rating. APS noted that most of the incidents are slips/trips but are working to improve safety. Commission Fratila also noted there was discussion in committee that moving forward, staff will break out incidents showing what takes place in Texas vs. nationwide. Commissioner Santos added the safety was well scrutinized by the committee and feels confident safety will be a priority.

A motion was made by Commissioner Santos to approve the stevedore license renewals as presented. The motion was seconded by Commissioner Fratila with all Commissioners present voting in favor of the motion.

16. Discuss and consider proposals received for Port Freeport Electricity Contract.

Mr. Lowe stated that staff discussed this with the Finance Committee, noting only one bid was received through the Port's consultant. After initial discussions with the committee, staff reached out to an alternate consultant for an informal check of market prices finding the bid received was well in line with current pricing. Staff recommends a one-year renewal through current provider – Reliant, with rates today at \$68.22, 5% less than the number originally quoted. Over the next few months, staff will seek alternate options for an energy consultant and come back next year with a more viable long-term solution. The rate today includes 6% renewables or \$68.53 for a 10% renewable. Commissioner Giesecke commented about the bidding process and the fact that only one bid was submitted adding that he reached out to a consultant he has used in the past to look at bids. He noted the consultant obtained four bids (informally), with three higher than Reliant and one lower

however with the restraints of the calendar the committee and staff determined its best to go with a one-year renewal with the current provider's bid and move forward with getting a consultant who can bring in multiple bids next year. The Port averages 10,000 megawatt hours annually.

A motion was made by Commissioner Giesecke to approve a one-year contract with 6% renewal, per staff's recommendation. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

17. Approval of a renewal with Texas Association of Counties for Port Freeport Workers Compensation Policy.

Ms. Campus stated the Workers Compensation policy is based on calendar year, not the Port's fiscal year adding the Port has used Texas Association of Counties for over 28 years and has continued to provide very competitive and less expensive rates for workers comp. The Port's insurance broker Arthur J. Gallagher reviewed the coverage to ensure it is still competitive pricing and received pricing from Texas Mutual for \$43,000 in premium. Staff recommends accepting Texas Association of Counties renewal policy for a base premium of \$39,147.00.

A motion was made by Commissioner Giesecke to approve the renewal with Texas Association of Counties as recommended by staff. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

18. Approval to purchase a 2024 Ford Maverick SuperCrew Truck, for an amount not to exceed \$27,295.00.

Mr. Hogan stated that back in July when vehicles were surplus, staff mentioned two new vehicles would be budgeted in 2024, one for operations and one for security. Unfortunately, the Ford window to order the vehicles was very short so staff was approved to move forward with placing the order with the understanding that it could be cancelled without any financial commitment. Since that time, the trucks are still in the cue and have not made it to manufacturing, and staff has no estimation of when they will make it to manufacturing. Staff received a call from Gulf Coast Ford stating that one of their customers backed out of their order and the truck is very close to what staff had budgeted for. Staff recommends making the purchase in the amount of \$27,295.00 with knowledge that we can back out of one of the other two with no financial loss. This truck will go to Operations to Don Mullett who currently does not have a truck. This truck is a hybrid and is within budget.

A motion was made by Commissioner Kincannon to approve the purchase of the 2024 Ford Maverick SuperCrew Truck for an amount not to exceed \$27,295.00. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

19. Approval of Janitorial Contract with JH Sanchez Holding Company, LLC dba Superior Cleaning Services, for janitorial services for a term of 3 years, and authorizing Executive Director/CEO to execute the agreement and extend for up to (2) two additional one-year terms.

Mr. Hibbetts stated that staff opened bids for janitorial services receiving four bids with two bids that were incomplete. The two remaining bids were submitted by Superior and Ambassador. The bids were discussed and reviewed with the OSS Committee with the recommendation to move forward with Superior. Superior has been with the Port 23 years and has a good reputation.

A motion was made by Commissioner Santos to approve a contract with JH Sanchez Holding Company LLC dba Superior Cleaning Services, for janitorial services for a term of 3 years authorizing Executive Director/CEO to execute the agreement and extend for up to (2) additional one-year terms. The motion was seconded by Commissioner Fratila with all Commissioners present voting in favor of the motion.

20. Presentation of Government Finance Officers Association Award of Financial Reporting Achievement for the FY2022 Annual Comprehensive Financial Report.

Ms. Saathoff stated the Annual Comprehensive Financial Report is compiled each year and submitted for independent review to the GFOA. She recognized the accounting team for their effort and attention to detail that results in a clean audit each year and achievement in receiving this award for financial reporting for the 34th consecutive year.

21. Discussion regarding Charles River Laboratories planned facility in Brazoria County, and community concerns.

Ms. Saathoff stated the Brazoria County Commissioners Court held a meeting where with an item on the agenda to adopt a resolution regarding Charles River Houton Two and Protection for Communities which was about an area purchased off of County Road 2 by Kandurt, LLC with the intent to construct a facility to house and breed non-human primate laboratory animals necessary to develop safe and effective new medicine. There was information shared at this meeting as well as community sentiment. Ms. Saathoff included this on the agenda at the request of Commissioner Croft but also because some of the information shared at the meeting was that one of reasons for choosing this site was because of Port Freeport. Ms. Saathoff wanted to clarify for the community and for the record that prior to this item being on the County agenda, Port Freeport had no knowledge of the land acquisition or what the intent was of the facilities to be constructed. The Port has had no communication with Charles River Laboratories and was completely unaware. The statement made was misleading as the Port does not handle live animal cargo. This is not something that will be affecting Port Freeport from a commodity standpoint or something the Port will be supporting. There isn't anything in the tariff that sets a rate or allows for live animal cargo through Port Freeport. U.S. Customs is also not set up with the facilities to needed to quarantine animals to perform necessary steps for importation of primates. Brazoria County Commissioner Linder approached the Port requesting a resolution similar to what the County had approved, noting that other entities in the County were doing the same. Staff is prepared to compose a letter of support to the County and follow-up with a formal resolution for approval the January meeting. Commissioner Fratila clarified the letter would be supporting the County and their decisions.



22. Discuss and consider setting the 2024 Port Commission meeting dates.

Commissioner Singhania stated the 2024 Commission meeting dates were sent out for review and sees no issues with what has been proposed. He noted that around budget time, there will be a need to have an additional meeting in September. Those meetings will be determined as the date draws closer. The Commission agreed to move forward with the dates proposed for 2024.

23. Conduct Workshop regarding the following:

- A. Market Study Framework.
- B. Transportation Workers Identification Credential (TWIC) Escort Training.

***Market Study Framework.***

Mr. Miura stated that over the last couple of months staff has discussed pursuing a market study and engaging a third-party professional service to look at the broader market for Port Freeport and assist in honing the focus on the best opportunity. He then read over the framework staff prepared....

Background

Port Freeport's public facilities are multi-purpose and receive a diversified range of cargo types including containers (refrigerated and dry), roll-on/roll-off ("RORO") cargo, breakbulk and project cargoes, and dry bulk commodities. Market opportunities change frequently and are influenced by:

1. A rapidly growing Texas market
2. Market competition
3. Evolving e-commerce and changes in consumer purchasing preferences
4. Federal regulations on various modes of the Transportation
5. Deeper channel depths required for larger ocean-going vessels
6. Supply chain pressures and labor disruptions on the U.S. west coast and in Mexico
7. The need for multiple Texas deepwater port options for weather events and/or channel closures
8. Water levels in the Panama Canal and Mississippi River

To complement the ongoing port planning and resulting infrastructure development, Port Freeport should analyze actual market opportunities, develop a market forecast and define a feasible market capture strategy to:

1. Align the Port Freeport Commission and Staff on actual cargo opportunities to develop projections for cargo, vessel and revenue growth.
2. Identified the primary factors affecting the key commodity markets and/or cargo segments served and pursued by Port Freeport.
3. Identify the potential cargo activities that could occur at Port Freeport and determine the amount and type of facilities that would be needed if the Port decided to participate in those markets in the short, medium and long-term planning horizons.

4. Identify specific targets/accounts and commodity/cargo segments to guide the port's strategic initiatives for growth and determine a plan of action needed to meet and serve those needs of the identified opportunities.
5. Hone the focus of the business development plan and sales and marketing activities specifically to the actual cargo opportunities and defined targeted accounts.

The Market Study should determine:

1. Actual market opportunities and targeted Shippers and/or Beneficial Cargo Owners based on End-to-end Logistics and Supply Chains costs and need for Port Freeport's available land or infrastructure.
  - a. Review and identify regional, national and global shippers that could use Port Freeport for imports/exports and that could attract additional carriers to utilize Port Freeport's land and infrastructure considering the effects of planned and potential improvements on the future growth of various cargo segments.
2. Identify unfeasible cargo segments over a 5 and 10-year period due to factors including existing and forecasted market conditions, geographical location of Port Freeport in relation to inland manufacturing, distribution and logistics centers, available ocean carrier options, motor carrier availability, etc.
3. Document current marine, rail, and trucking infrastructure and services and develop overall strategy to attract and retain the market opportunities including improvements in required Port infrastructure considering:
  - a. Vessel service
  - b. Truck access and circulation
  - c. Rail access and service
  - d. Connections to Warehouse/Distribution and Processing
4. Identify tenants for industrial properties that will provide for optimal use in support of long-term development goals and in line with the Port's mission.
5. Prepare Cargo Forecast
  - a. Three scenarios: pessimistic outlook; baseline outlook; and increased supply chain advantages outlook ("upside" scenario)
    - i. Pessimistic = Decrease in Port Freeport customer base
    - ii. Base Line = No change to Port Freeport customer base
    - iii. Upside = Increase in Port Freeport customer base
  - b. Five and Ten-year forecasts for:
    - i. Container (dry and reefer) – Primary Focus
    - ii. OEM/RORO – Primary Focus
    - iii. Break Bulk and Project Cargo – Secondary Focus
    - iv. Liquid Bulk – Secondary Focus
      - Considered a priority and the Port may want to engage a separate consultant to develop a feasibility analysis and marketing plan for the Cut-In-Berth
6. Document historic and current commodity flows

7. Document current marine, rail, and trucking infrastructure and services

Mr. Miura further explained that this sets a high-level scope to initiate discussion with a third party which will be obtained through a competitive bidding process or professional services. Discussions with the third party will further refine the scope in order to proceed with a market study at the Port Commission's approval. Further discussion revealed a number of firms that could provide the service and cost will be in the \$200,000 - \$250,000 range. Previous studies performed addressed (at the time) the Port's ability to move into the container business and set up a sales strategy plan for capital investment moving forward as well as identified key trade lanes to target. Ms. Saathoff added the study will help staff determine areas to focus onto get the most immediate results and where the 5-10 strategy should be focused as well. Commissioner Giesecke commented that he would like to see as part of the analysis is to look at the local economy and give it priority to see what the local job impact is, to see how we can benefit the local economy. Commissioner Singhania added that he would like the Commission to see the top two firms the staff will consider for the study along with their background, their scope and deliverables. The process for selecting the firm will be through a competitive proposal (request for qualifications). Staff anticipates bringing the firm for approval at the end of the first quarter.

***Transportation Workers Identification Credential (TWIC) Escort Training.***

At this time, Ms. Northrup performed a TWIC Escort training session for commissioners and staff.

24. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:

- A. Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:
  - 1. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
  - 2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).
- B. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):
  - 1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
    - i. Business and Economic Development Reports.
  - 2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
- C. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:
  - 1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the Expansion and

bordered by or adjacent to the following streets: FM1495; East 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> Street in Freeport, Texas.

2. The potential purchase, exchange, lease, or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5, 7 and 8.
  3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 14, 19, 27, 34 and property on Quintana Island.
- D. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.
- E. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:
1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO, Director of Administration/CFO, Director of Operations, Director of Engineering, Director of Protective Services, Director of Economic Development, Director of Business & Economic Development.

25. RECONVENE OPEN SESSION to review and consider the following:

26. Consideration of possible approval of a Recognition Agreement in favor of KeyBank National Association to allow for financing of construction of warehouse facility by Freeport Warehouse, LLC.

Mr. Miura stated that staff has presented a Recognition Agreement between Port Freeport and KeyBank National Association noting that the recent transaction with Freeport Warehouse will be financing both the construction and term loan. As a condition of the loan, the lender, Freeport Warehouse and Port Freeport will enter into a Recognition Agreement. Staff recommends the Port Commission adopt the resolution as presented. This resolution will authorize the execution of a Recognition Agreement between Port Freeport and KeyBank National Association. Mr. Miura then read the following resolution for the record...

**RESOLUTION AUTHORIZING EXECUTION OF  
RECOGNITION AGREEMENT  
BETWEEN PORT FREEPORT AND KEYBANK NATIONAL ASSOCIATION  
(Freeport Warehouse, LLC Lease Agreement)**

*At a regular meeting of the Port Commission of Port Freeport held at the Administration Building of the Port at 1100 Cherry Street, Freeport, Texas, on December 14, 2023, among other business, on motion duly made and seconded, the following resolution was passed and adopted:*

**FINDINGS:**

*1. Due and proper notice of the date, time, place, and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.*

2. Freeport Warehouse, LLC ("Freeport Warehouse") has leased approximately fifteen (15) acres of land (the "Land") from Port Freeport for development of a chilled cross-dock facility pursuant to a Lease Agreement dated November 6, 2023 (the "Lease Agreement").

3. To finance the initial construction and development of the chilled cross-dock facility, Freeport Warehouse desires to obtain a loan (the "Loan") from KeyBank National Association (the "Lender") and to collaterally assign or mortgage its leasehold interest in the Lease Agreement to Lender as security for the Loan.

4. As a condition to the Loan, Lender, Freeport Warehouse and Port Freeport are required to enter into an agreement (a "Recognition Agreement") that sets forth certain agreements between the parties as to their respective rights and remedies if there is ever a default under the Lease Agreement or the Loan.

5. The terms for the Recognition Agreement to be executed by Lender, Freeport Warehouse and Port Freeport have been presented to the Port Commission for consideration on this date.

6. After review and consideration of the Recognition Agreement, the Port Commission finds and determines that the terms of the Recognition Agreement are acceptable, and that execution of the Recognition Agreement should be approved.

**NOW, THEREFORE, BE IT ORDERED AND RESOLVED**, that the form and substance of the proposed Recognition Agreement be, and are hereby, authorized and approved;

**BE IT FURTHER ORDERED AND RESOLVED**, that the Chairman and Secretary of the Port Commission or the Executive Director/CEO of Port Freeport be, and each of them is hereby, singularly authorized and directed to execute and deliver the Recognition Agreement, substantially in the form presented at this meeting and with such nonmaterial changes as may be approved by the official executing same, their execution thereof to constitute conclusive evidence of such approval; and

**BE IT FURTHER ORDERED AND RESOLVED**, that the Chairman and Secretary of the Port Commission or the Executive Director/CEO of Port Freeport be, and each of them is hereby, singularly authorized and directed to execute and deliver a memorandum of the Lease for recording in the Real Property Records of Brazoria County, Texas.

A motion was made by Commission Fratila to adopt the resolution as presented. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

27. Discuss and consider action resulting from Executive Session for Executive Director/CEO.

Commissioner Singhania stated the Commission is a little late with Ms. Saathoff's paperwork, but the Commission has discussed her compensation and will receive her performance review tomorrow morning. With that, he requested a motion for Ms. Saathoff's compensation for the coming year noting that it will be retroactive to October 1, 2023.

A motion was made by Commission Croft to approve an annual salary for Phyllis Saathoff, Executive Director/CEO in the amount of \$273,200, plus an annual car allowance of \$9,600

and include employee benefits as described in policy. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

28. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:45 PM.

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Ravi K. Singhanian, Chairman

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Rob Giesecke, Vice Chairman

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Barbara Fratila, Secretary

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Kim Kincannon, Asst. Secretary

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Dan Croft, Commissioner

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Rudy Santos, Commissioner